



STATE OF TENNESSEE

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Opinions mixed on alternative fuels for Tennessee

NASHVILLE, Tenn.— State lawmakers asked whether increasing the use of alternative fuels such as ethanol and biodiesel would help Tennessee meet its clean air goals, and also increase consumption of Tennessee agricultural products and boost economically depressed areas. The answer? Maybe.

The Comptroller's Office of Research has released a report that concludes that experts disagree about the feasibility and effectiveness of encouraging alternative fuels. Entitled "Ethanol and Biodiesel: Questions and Answers," the report outlines various pros and cons of alternative fuels.

For example, increasing biodiesel use would reduce harmful emissions from large trucks and heavy machinery, but would be less efficient than petroleum diesel.

Gasoline blended with 85 percent ethanol would reduce some harmful emissions, but only one station in Tennessee sells it. In addition, E85 is incompatible with most cars on the road today. Ten percent ethanol blends would be compatible with more vehicles, but would do little to help Tennessee's most prevalent air quality problem – ozone.

The report finds that gasoline suppliers would have to make significant infrastructure investments to provide ethanol blended gasoline. Without significant incentives, Tennessee's drivers would pay those costs at the pump.

"The pros and cons of encouraging the use of alternative fuels depend on many factors, from the types of pollution we need to control, to the availability of infrastructure, to the types of cars people drive," according to Doug Wright, Assistant Director of the Office of Research.

The report asks a series of questions regarding the use of alternative fuels in Tennessee, and details the answers based on available research. It recommends that the General Assembly evaluate the viability of markets and infrastructure when it considers subsidies for alternative fuels.

The report also recommends that if the General Assembly provides incentives, it should include incentives to consumers to help create markets for renewable fuels.

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The report is available on the Comptroller's Web site at www.comptroller.state.tn.us.

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